

**Attachment 6:
SCORING FORMULA FOR
CEDS PROJECT APPLICATION FORMS**

Summary of CEDS Priority System for Ranking Projects

A. Total System - Maximum Points 200. (Each Project Ranking Criterion is explained in detail beginning on page 3 with specific examples given to guide applicants.)

1. Job Development

Points: 40 maximum

a. EDA funds requested per job stimulated (including multiplier effects):

- | | |
|----------------------|----|
| 1) \$1-\$2,500 | 10 |
| 2) \$2,501-\$5,000 | 8 |
| 3) \$5,001-\$7,500 | 6 |
| 4) \$7,501-\$10,000 | 4 |
| 5) \$10,001-\$12,500 | 2 |
| 6) \$12,501 or more | 0 |

b. Typical wages of *direct* jobs supported by the project:

- | | |
|--|----|
| 1) 250% the state minimum wage or more | 15 |
| 2) 200%-249% the state minimum wage | 10 |
| 3) 150%-199% the state minimum wage | 5 |
| 4) 149% the state minimum wage or less | 0 |

c. Project provides jobs in one or more clusters 15

If estimate of job stimulation is not backed up by a study or other documentation *Deduct 5*

If project will not be initiated within two years *Deduct 5*

2. Area of Influence

Points: 5 maximum

- | | |
|--------------------------|---|
| a. Statewide or regional | 5 |
| b. Local only | 0 |

3. Environmental Factors

Points: 40 maximum

- | | |
|---|----|
| a. Project results in rehabilitation of brownfield sites, reuse of certified mill buildings, and/or is located in a state designated growth center. | 20 |
| b. Project uses a technology or practice that reduces existing consumption of natural resources, air or water pollution, and/or waste streams in the production of a good or service. | 10 |

c. Project contributes to meeting a specific environmental objective listed in an element of the State Guide Plan.	5
d. Project is located in a national or state historic district or on a property individually listed on the national or state historic register.	5
e. Project results in use and/or revitalization of existing built environment or existing infrastructure other than brownfields, certified mill buildings, properties in a national or state historic district, or properties individually listed on the national or state historic register.	5
<u>4. Essential Project Studies, Permits, and EDA Contact</u>	<u>Points:</u> 30 maximum
a. All permits obtained, or confirmation obtained from regulatory agencies that no permits are required.	15
b. Essential project studies completed.	10
c. Applicant has applied for but not yet obtained all necessary permits.	5
d. Applicant has initiated essential project studies.	5
e. Applicant has contacted EDA and been invited to submit a concept paper or apply for a grant.	5
f. Applicant has not contacted EDA (new projects only), or was not invited to submit a concept paper or apply for a grant (re-submitted projects only).	0
g. Applicant has not applied for permits.	0
h. Applicant has not initiated essential project studies.	0
<u>5. Commitment of Non-Federal Funds</u>	<u>Points:</u> 25 maximum
a. Non-federal funds committed or appropriated.	10
b. Non-federal funds committed from private investment.	10
c. Non-federal funds committed exceed fifty percent of project costs.	5
d. Non-federal funds not yet committed.	0

6. Partnering with Other Eligible Applicants Points: 15 maximum

Project is a partnership between two or more eligible applicants. 15

7. Enterprise Zone Points: 35 maximum

- a. Project is in a state-designated Enterprise Zone or Federal Enterprise Community. 15
- b. Applicant presents a plan to recruit Enterprise Zone residents for jobs resulting from the project. 10
- c. Applicant presents a transportation plan to get Enterprise Zone residents to the project worksite. 10

8. Per Capita Income Points: 10 maximum

- a. Less than 50% the national average 10
 - b. 51-60% the national average 8
 - c. 61%-70% the national average 6
 - d. 71%-80% the national average 4
 - e. 81% the national average or more 0
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B. Explanation of Project Ranking Criteria

1. Job Development

The eventual number of jobs resulting from the implementation of a proposal is a prime consideration in priority selection. The figures are used to determine a cost per job. The applicant should base the cost per job *only* on the Economic Development Administration's share. *Do not base this on total project cost*, which would include the applicant's share and other non-federal contributions.

The jobs must be "long range" jobs, i.e., those that are expected once a facility or project begins operation; do *not* count construction jobs, which are only of a temporary nature.

In determining the number of jobs stimulated, direct, indirect, and induced employment should be considered. This is calculated by using the direct-effect

employment multipliers listed in the table included in the application package, “Regional Multipliers.” These are found in the *far right column* of the table. The industry providing direct jobs as a result of the project would be located in the left column, and the number of direct jobs anticipated is multiplied by the employment multiplier to get total employment – direct, indirect, and induced.

An example: suppose a project is to renovate a mill building for a state-of-the-art telecommunications center. The industry providing direct, long-term jobs as a result of the project would most likely be either “business services” or “communications.” The direct-effect multiplier for employment in business services is 1.6785. If 50 jobs in the center are expected, the number of jobs stimulated by the project would be $50 \times 1.6785 = 84$ jobs in total — or, put another way, 34 jobs in addition to the original 50.

Another example: if 35 jobs are derived from another project that leads to the opening of a museum, we would consider those under “miscellaneous services.” The direct-effect multiplier for employment in this industry is 1.5828. The total number of jobs stimulated by the project would be $35 \times 1.5828 = 55$, or 20 in addition to the original 35.

There are other methods of calculating total jobs based on multipliers, such as by accounting for square feet occupied per worker in the industry being considered. However, to ensure that all applicants are using the same frame of reference, only multiplier effects calculated from the enclosed table will be accepted.

This year we will take into account quantity (the number of jobs), quality (how well the direct jobs pay) and if the jobs are part of one of our clusters defined below. The second part of the Job Development criterion takes into account the average wages in the industry directly supported by the project and how well they compare to the state minimum wage. Projects leading to direct jobs in a high-wage industry will be awarded the most points.

The state minimum wage is \$6.75 per hour (= \$14,040 per year). Please consult the table from the R.I. Department of Labor and Training, *Occupational Employment Statistics*, included with your application package, for median hourly wage rates in the various Rhode Island occupations if the wage rates for your project have not yet been determined.

Estimates of job stimulation that are not documented in a study will be penalized by a deduction of five (5) points under this criterion. Projects not expected to be initiated within two years will also incur a five-point penalty.

This year we are awarding additional points to projects providing jobs in one or more clusters. Each cluster represents a collaboration of firms and disciplines. The clusters that have been identified include travel and tourism, defense, boat building and marine trades, medical services and technology, jewelry, precision metalworking, software and communications, electronics, finance and insurance, and the “creative”

cluster of arts and culture, knowledge creation, and design and business innovation. This criterion dovetails with the partnering and area of influence criteria, which reward applicants forming partnerships with others on a project of mutual benefit and regional or statewide impact.

2. Area of Influence

This criterion is weighted to favor project proposals having the broadest geographic significance for economic development, particularly (though not exclusively) job growth. This is designed to encourage regional and even statewide partnering among eligible applicants. Definitions of statewide vs. regional significance follow.

Definitions:

Statewide - having potential for a more geographically universal effect throughout the entire state and not predominantly affecting only one or a few contiguous municipalities.

Regional - involving more than one municipality and perhaps several contiguous municipalities, but not the entire state.

Regional projects can be co-sponsored by more than one applicant (e.g., municipalities, academic institutions or non-profit development corporations), or by a single applicant provided the project description demonstrates a *substantive* benefit to more than one municipality.

“Region” for the purposes of the CEDS is defined as an area *within the State of Rhode Island*, for example the Blackstone Valley, East Bay or South County, as opposed to “the New England region” or the “Northeast (U.S.) region.”

3. Environmental Factors

The rating method for this criterion rewards applicants whose projects make use of innovative technologies or management practices that use raw materials more efficiently, and that can reduce the consumption of energy, water, and other natural resources as well as air and water pollution. Examples may include (but are not limited to) alternative energy use; “closed loop” industrial parks; providing incentives to workers to use public transit to reduce air pollution; and the recycling of wastewater in the production process. Also under this criterion are those projects that are located in state designated growth centers, rehabilitate brownfield sites, or lead to the *non-residential* reuse of certified mill buildings and historic properties, whether individually listed on the national or state historic register or within national or historic districts.

Points are also awarded for revitalizing other existing industrial or commercial space and its associated infrastructure, and for addressing the environmental objectives of the State Guide Plan.

If credit is claimed under the brownfields, mill buildings or historic properties category, it cannot also be claimed under the “built environment” category. The “built environment” category is intended to reward projects that follow the same principle of preserving, reusing, and better utilizing existing buildings for industrial or commercial purposes instead of developing greenfield sites, though they may not be part of the brownfield or mill building reclamation programs or sited within an historic district.

If credit is sought for fulfilling an environmental objective in an element of the State Guide Plan, the specific element and objective/policy within the plan must be cited. Refer to the *State Guide Plan Overview* for a synopsis of the various elements of the State Guide Plan. The *Overview* is available for viewing or downloading at the Statewide Planning Program website, www.planning.ri.us

4. Essential Project Studies, Permits and EDA Contact

This criterion rewards applicants who have obtained the necessary environmental permits to initiate the project, or who have confirmed from the relevant regulatory agencies that no permits are necessary for the project. In addition, this criterion awards points to those projects with applications supported by essential studies, which are taken to mean planning, engineering, or any other studies prerequisite to implementation, excluding environmental assessments. Those projects progressing reasonably toward completion of these studies and obtaining of permits are also awarded points in this category.

Under an expansion of this criterion, we are also rewarding applicants who have initiated contact with representatives of the Economic Development Administration (EDA) and have interested them sufficiently to be invited to submit a “concept paper” (outline of the project), a pre-application or an application. Applicants will have to make such contact eventually, of course, because it is EDA (not Statewide Planning) that awards the grants. Awarding an additional five (5) points under this criterion is intended to help expedite this process and to improve the scores of projects with a high likelihood (though not necessarily a guarantee) of funding by EDA, aiding their selection for the Priority Project List.

Applicants who are resubmitting projects from last year that were placed on the previous Priority Project List must indicate that follow-up contact has been made with EDA (even if EDA eventually rejected their proposals) *or we will not consider the projects again*. This requirement is intended to encourage applicants to follow the process to the end, whether successful or not. Higher quality projects, developed with the input of EDA staffers, should result.

This system recognizes that any project having a negative environmental effect that cannot be reasonably mitigated will probably be eliminated from consideration under the State Guide Plan conformance threshold review, which is part of the CEDS process. Nevertheless, this threshold review does not constitute the in-depth regulatory review required for the granting of environmental permits.

5. Commitment of Non-Federal Funds

This criterion measures the financial commitment to the project, and is an indicator of the applicant's ability to initiate the project in a timely manner and the ability of the project to leverage additional investment. It will also award additional points to applicants able to commit an amount of non-federal funds *greater* than the required minimum for EDA grants, i.e., greater than fifty percent (50%) of total project costs. *All applications must indicate at least a 50% non-federal match even if those funds have not yet been firmly committed. Those that do not will be returned to the applicant.*

6. Partnering with Other Eligible Applicants

This criterion awards points for partnering between or among eligible applicants, such as two or more municipalities, a municipality and a state agency, or a municipality and an academic institution. Partners must jointly submit a single CEDS application and list themselves as co-applicants. Each co-applicant will be "charged" one project against his or her project allocation.

7. Enterprise Zones

In keeping with both federal and state policy to direct resources to areas designated as Enterprise Zones, this criterion gives points to those projects specifically located within an officially designated Rhode Island Enterprise Zone or Federal Enterprise Community.

This criterion will also give credit for actively recruiting residents of Enterprise Zones or Enterprise Communities regardless of where the project is located. Additional credit will be given applicants with a specific transportation plan for Enterprise Zone or Enterprise Community residents to enable them to commute easily to project sites.

8. Per Capita Income

Per capita income is a criterion the EDA uses for screening applications. For the CEDS, a range of five (5) per capita income levels is considered. These are based on the per capita income of the U.S. Census tract in which the project is located. Projects located in areas where the per capita income is 80% of the national average or less will gain points under this criterion. For this year's projects, be sure to use *2000 Census data* for your tract. The national average is \$22,199, and we will use this figure as the baseline when computing your score.